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UNCLAS SECTION 01 OF 02 AMMAN 003654

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PLEASE PASS TO SECRETARY'S PARTY USDOC 4520/ITA/MAC/ONE/PTHANOS DEPARTMENT FOR E FOR LARSON DEPARTMENT FOR EB FOR WAYNE ATHENS FOR TSA FOR MONTGOMERY FRANKFURT FOR TSA FOR HARRIS

E.O. 12958: N/A TAGS: EAIR ETRD JO SUBJECT: BAD NEWS FOR RJ

REF: A) STATE 162415

SENSITIVE BUT UNCLASSIFIED; PLEASE HANDLE ACCORDINGLY

(SBU) SUMMARY: Ambassador Gnehm followed up with Royal Jordanian Airlines (RJ) CEO Majali on recent Transportation Security Administration (TSA) visits and meetings in Washington between RJ officials and DAS John Byerly. Ambassador stressed to Majali the importance of taking seriously TSA guidance and directives, the need to decouple RJ's prospective purchase of Boeing jets from bidding on service rights to Baghdad, and the likelihood that any decision on the composition of Iraqi Air will have to wait for an interim Iraqi government. END SUMMARY

TSA: STRAIGHTEN UP AND FLY RIGHT

SIPDIS

- (SBU) Ambassador Gnehm, accompanied by Econoff, called on Royal Jordanian Airlines (RJ) CEO Samer Majali on June 16. The Ambassador took advantage of the meeting to reinforce the strong messages on security and cooperation with TSA that were delivered to RJ by visiting TSA officials in Amman in early June and in Majali's recent meetings in Washington (ref). He stressed the need for RJ to take TSA directives seriously and to implement them as quickly as possible. Majali said that he had received a letter from Minister of Transport Dahabi stating that RJ was "basically not in compliance" with TSA policy and that the airline needed to fulfill TSA directives according to deadlines agreed during the visit.
- 14. (SBU) Majali, however, said "TSA did not take proper minutes or give us a report telling us how we are expected to comply." Noting that the Minister's letter (which had been prepared by Civil Aviation Authority staff) served this purpose by clearly outlining four important deadlines agreed to by RJ and the TSA, the Ambassador told Majali that RJ's credibility was on the line. It was critical that all RJ and other security staff take TSA's requirements extremely seriously. He said it was important that RJ and TSA maintain frank and open channels of communication through which they could address each others' concerns.
- The Ambassador stressed that TSA has the final word on whether or not RJ is in compliance with U.S. regulations and thus able to continue to fly to the U.S. TSA decided to suspend RJ flights to the U.S., no one in the

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U.S. Government would or could overrule them. Majali replied that all deadlines would be met, and added that the airline was appointing one person to be responsible for all safety and security issues.

IRAO-BOEING LINKAGE: A MISTAKE

 ${f 16.}$ (SBU) Also following up on reftel conversation, the Ambassador told Majali that he had made a mistake in seeking to link RJ's initiative on helping establish air service in Iraq to its decision between Boeing and Airbus for RJ's acquisition of new short-term jets. Majali called this a "misunderstanding" of RJ's intent. His point was that the economic advantage of RJ expanding its activities to Iraq would help offset what he said was the \$25 million additional cost of 737's versus A320s. Since he assumed that any Iraqi airline would go with Boeing, this could also lead to "greater commonality" with RJ. The Ambassador advised Majali to separate the jet purchase from service to Baghdad since decisions on Iraq's civil aviation regime could be a long time coming.

- 17. (SBU) Comment: The DCM had previously covered similar ground on the security issues with Transportation Minister Nader Dahabi and CAA Director General Hanna Najjar. We believe the airline and the government have got the message that TSA is serious and that they can not afford to waste Jordan's good reputation on security issues.
- 18. (SBU) The Jordanians clearly made a serious tactical mistake in allowing the perception to persist that they are linking a decision on aircraft replacement to their initiative on Iraq. Disturbingly, we understand that Majali continued to pursue this tack in a meeting with Boeing CEO Phil Condit this week in Paris. Condit and senior Boeing executives will be in Jordan over the weekend for the World Economic Forum meeting at the Dead Sea, where they will undoubtedly meet senior Jordanians including the King. We will convey this message to others in the decision-making chain on the aircraft decision. Senior U.S. officials who are here for the WEF meetings, including Secretary Powell and U/S Larson, may also wish to reinforce that now is the time to make a decision and that Boeing is the most qualified provider. GNEHM